

Defining a Business Aligned, 3 Year Strategy

Energy Future Holdings Overview

Competitive Businesses



- 2nd largest competitive electric generator in US
- Largest lignite/coal and nuclear base load generation fleet in Texas
- Low-cost lignite reserves



- Largest retail electricity provider in Texas
- Strong customer value proposition



Regulated Business



- Largest T&D utility in Texas
- High-growth service territory
- Regulated business



The largest power generator, retail electricity provider and transmission & distribution utility in Texas.

Full Disclosure aka “My Personal Safe Harbor”

- *Started my career in Investment Banking & Consulting*
- *Spent about 10 years in software, primarily in business development roles*
- *Prior to EFH/TXU, spent 5 years in financial services & private equity*
- *Joined TXU Energy in 2011 responsible for IT Finance, Vendor, and Performance Management.*
- *Spent the last year at Energy Future Holdings as VP of Governance & Strategy*
- *2 months ago, took the VP of Technology role at TXU Energy*

FINANCE & SALES GUY, NOW IN IT

“ANYTHING STATED, DESCRIBED, CONVEYED, OR OUTLINED IN THIS PRESENTATION IS SUBJECT TO CHANGE AT MY SOLE DISCRETION. . .ETC”

Why would you want to do this?

Define a Business Aligned, 3 Year Strategy

VS.

Defining a Segmented, Silo Based, Techno Speak, Irrational, Totally Confusing, and Open Ended Strategy

The Key Word is “Aligned”

a·lign

/əˈlīn/

verb

verb: align; 3rd person present: aligns; past tense: aligned; past participle: aligned; gerund or present participle: aligning

1. place or arrange (things) in a straight line.

synonyms: line up, put in order, put in rows/columns, straighten, place, position, situate, set, arrange

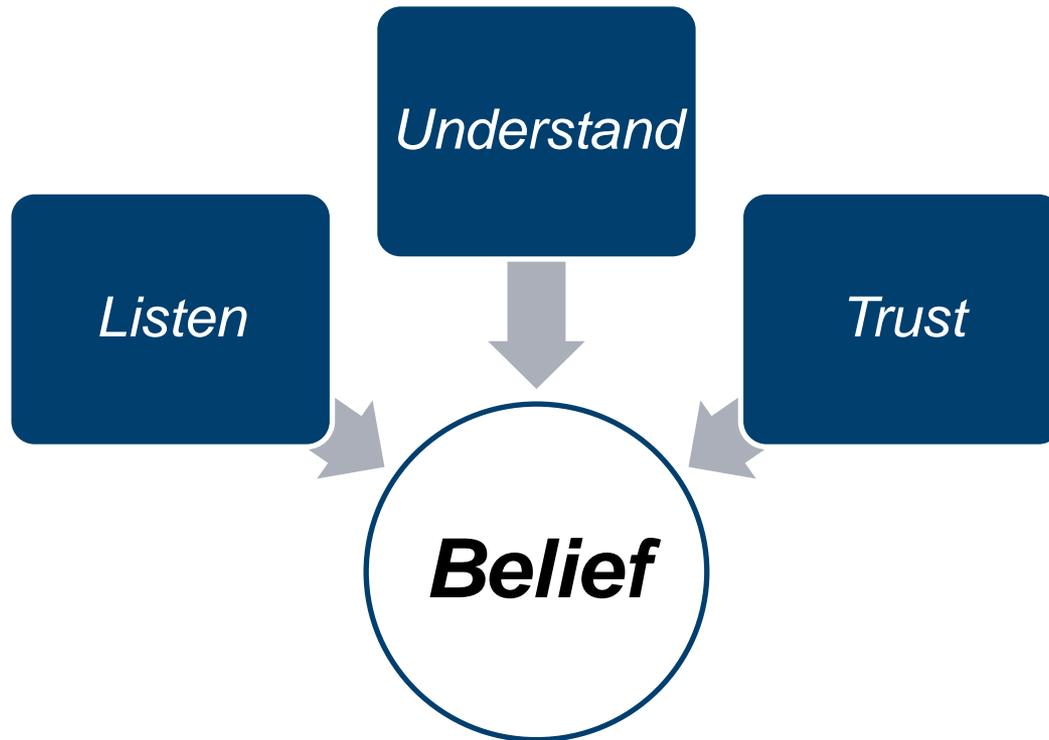
- put (things) into correct or appropriate relative positions.*
- lie in a straight line, or in correct relative positions.*

2. give support to (a person, organization, or cause).

- come together in agreement or alliance.*

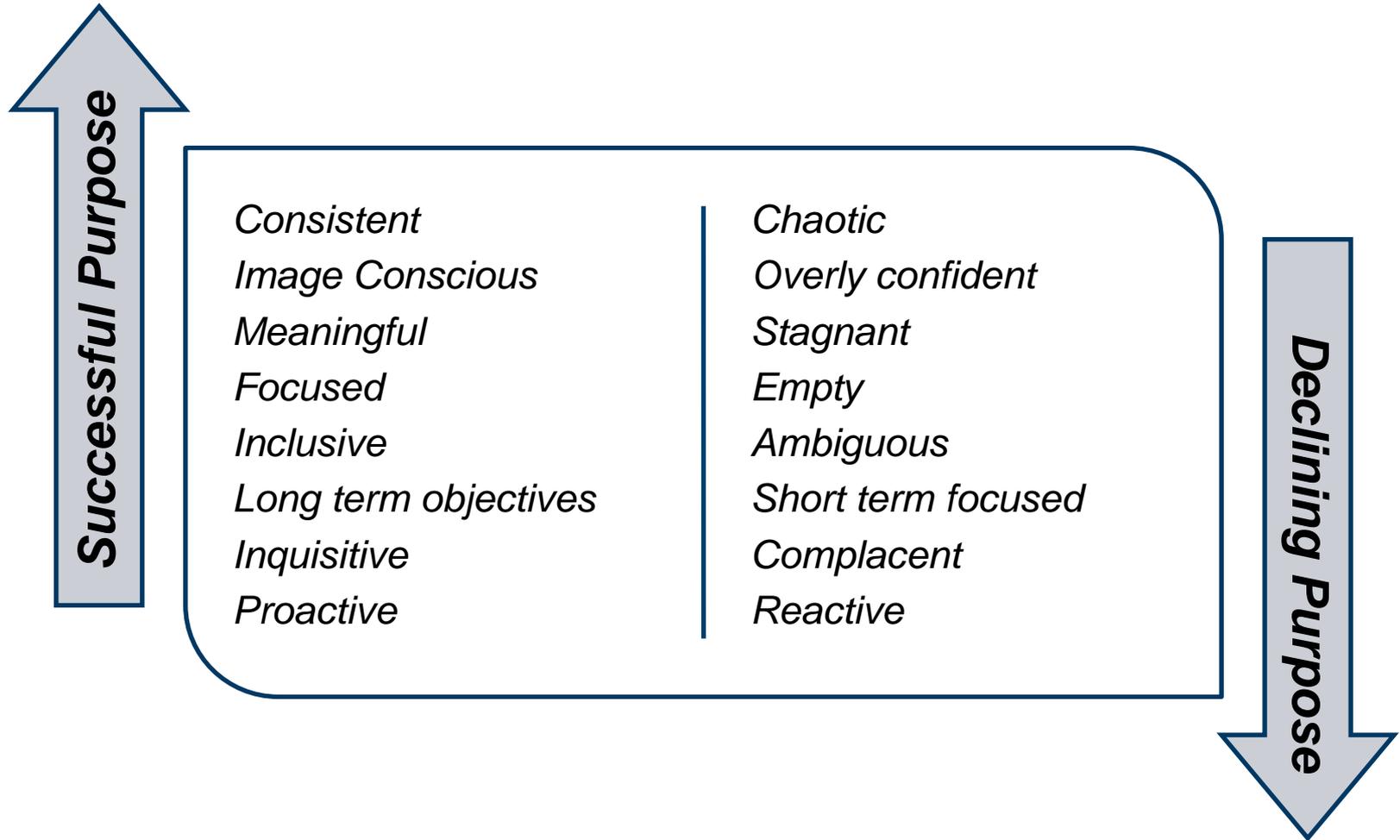
“Come together in agreement or alliance”

How?



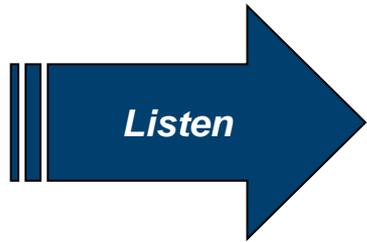
To get “agreement or alliance”, the business and IT must believe in the strategy. . .they must know “why” or the “purpose”.

A great purpose does not equal success

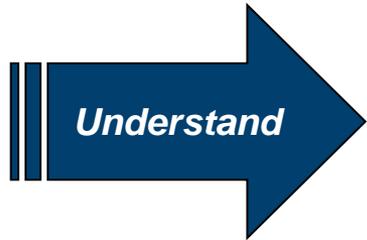


*. . .the purpose has to have **substance**. . .and drive the business.*

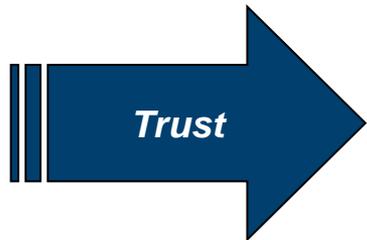
Where to start? 10 steps to develop the “substance”



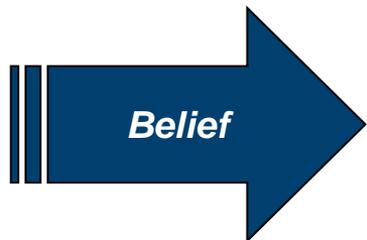
1. *Business, IT, Key Vendors*



2. *Market and customers*
3. *Business objectives*
4. *Current state*



5. *Define the end state*
6. *Define the key objectives*
7. *Develop the purpose – why are we doing this?*



8. *Tell the story, sell the vision*
9. *Execute, monitor, and measure*
10. *Iterate – wash, rinse, repeat*

What I discovered was. . .

Over the next 3 years we must. . .

- 1. Stay within the financial plan*
- 2. Upgrade the ERP*
- 3. Ensure security and compliance*
- 4. Standardize the sales engine*
- 5. Improve CRM capabilities and functionality*
- 6. Centralize and improve data management, analytics, and reporting*
- 7. Align IT organization to business functions*
- 8. Develop and grow IT employees*
- 9. Deliver solutions faster and cheaper*
- 10. Change the way IT works with and is viewed by the business*

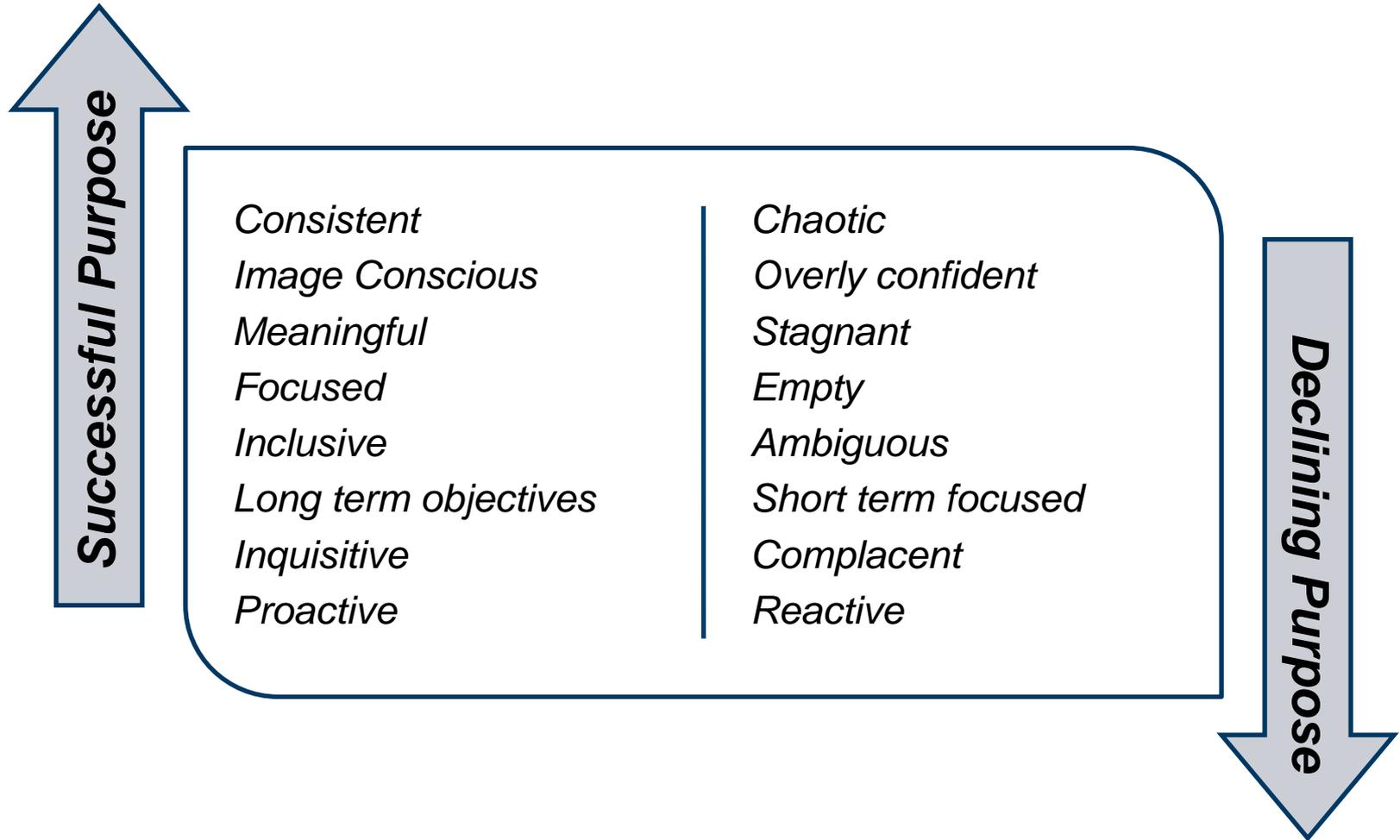
OR

“Delivering Great User Experiences”

Changing the viewpoint

- *10 is about relationship building and relationship development*
- *Being a change agent for the business*
- *Changing the way IT and the business view each other, work with each other, etc. . . .*
- *Spending time with the users – understand how they do their jobs*
- *Managing IT as a business – being innovative, coupling technology with business goals*
- *Being proactive vs. reactive*

A great purpose does not equal success



*. . .the purpose has to have **substance**. . .and drive the business.*

Business objectives and purpose

Strategic Business Objectives:

- *Be a people focused, high performance culture*
- *Provide customer-centric, innovative solutions*
 - *Execute with excellence*
- *Deliver value consistently over time*

“To Power Positive Energy Experiences”

IT strategic objectives and purpose

Strategic IT Objectives:

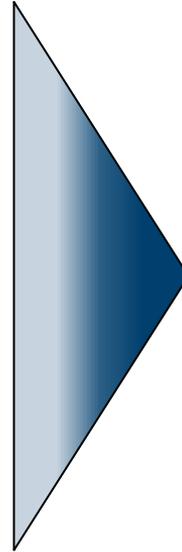
- *Financial Optimization*
- *Operational Excellence*
- *Business Value Creation*
 - *Risk Management*
- *Organizational Development*

“Delivering Great User Experiences”

Align the IT strategic objectives

Strategic Business Objectives:

- *Be a people focused, high performance culture*
- *Provide customer-centric, innovative solutions*
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Strategic IT Objectives:

- *Financial Optimization*
- *Operational Excellence*
- *Business Value Creation*
- *Risk Management*
- *Organizational Development*

***“Delivering Great User Experiences”
in order. . .
“To Power Positive Energy Experiences”***

“Delivering Great User Experiences”

Changing the Viewpoint –
Business/IT Partnership

Financial
Opt

Operational Excellence

Business Value
Creation

Risk Management

Org Development

Stay within
the financial
plan

Standardize
the sales
engine

Deliver
solutions
faster and
cheaper

Centralize &
improve data
mgmt.,
analytics,
and reporting

Improve
CRM
capabilities
and
functionality

Upgrade the
ERP

Ensure
security and
compliance

Align IT org
to business
functions

Develop and
grow IT
employees

Recap

- *Listen, Understand, Trust = Belief*
- *Define the “Purpose”*
- *Develop the “Substance”*
- *Deliver the message*
- *Change the viewpoint*

Questions?
